



DEBRA K. DAVENPORT, CPA  
AUDITOR GENERAL

**STATE OF ARIZONA**  
**OFFICE OF THE**  
**AUDITOR GENERAL**

WILLIAM THOMSON  
DEPUTY AUDITOR GENERAL

May 16, 2006

Governing Board  
San Simon Unified School District No. 18  
P.O. Box 38  
San Simon, AZ 85632-0038

Members of the Board:

Beginning with fiscal year (FY) 2004, school districts with an adopted expenditure budget of less than \$2 million but more than \$700,000 for the Maintenance and Operation Fund must have a biennial financial statement audit and should submit the related audit reports to our Office within 9 months of the end of the second fiscal year. The district's auditors must also prepare and submit a Uniform System of Financial Records (USFR) Compliance Questionnaire for the second fiscal year.

In FY 2005, the second year of the biennial period, the District reporting spending over \$500,000 in federal financial assistance, and therefore is required to have an annual single audit for that year, rather than a financial statement audit. The District's reports for the 2 years ended June 30, 2005, and questionnaire for the year ended June 30, 2005, were due by March 31, 2006; however, we have not received them. Consequently, the District has not complied with the USFR and state and federal law in regard to report submission.

If the District does not submit the reports and questionnaire within 90 days of the date of this letter, we will notify the Arizona State Board of Education of the District's noncompliance and request that appropriate action be taken as prescribed by Arizona Revised Statutes §15-272.

If you have questions about this letter or the action the District must take, please call me at (602) 553-0333.

Sincerely,

Gregory R. Rickert, CPA  
Accounting Services Manager

cc: Mr. Michael Reed, Superintendent  
San Simon Unified School District No. 18  
The Honorable Trudy Berry, Cochise County School Superintendent  
Ms. Vicki G. Salazar, Associate Superintendent of Financial Services  
Arizona Department of Education